

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

a H 01 101
A2F3 (copy)

World Production and Trade

86
United States
Department of
Agriculture

Foreign
Agricultural
Service

Washington, D.C. 20250

Weekly
Roundup

WR 30-87

July 29, 1987

The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade.

GRAIN AND FEED

Levy Cut Not Expected To Stimulate SPAIN'S Corn Imports. The European Community (EC) has announced a further import-levy reduction totaling 40 European Community Units (ECU) (U.S.\$45) per ton on corn imported by Spain under the U.S.-EC Compensation Agreement. However, imported corn would still cost about \$255 per ton compared to landed French corn prices of about \$240 per ton. The levy reduction may thus be too small to stimulate any appreciable quantity of imports. Both the timing and the mechanism itself will inject considerable uncertainty into the EC market over the next few months, a situation that may mean deferred import buying. A delay could be disadvantageous to both Spain and the United States, as it does not help meet Spanish import needs before harvest and could make the calendar year 1987 import commitment level difficult to achieve.

SOVIET Grain Harvest Lags Last Year's Pace. As of July 20, small grains and pulses were cut on 8.9 million hectares, of which 5.4 million was threshed, according to the U.S. agricultural attache in Moscow. A Soviet agricultural newspaper, Sel'skaya Zhizn, noted that harvest progress is significantly lower than last year. As of July 21, 1986, the area of grain cut was 25.5 million hectares; 9.0 million had been threshed. Because the season was advanced in 1986, these figures were somewhat above average.

SOVIET Forage Harvest Continues. According to Moscow radio, as of July 20, more hay had been gathered than a year ago. At 44.3 million tons, the target for hay had been 52 percent completed. Forty nine million tons of haylage and 7.4 million tons of silage have also been made this year. Problems with hay quality were noted in some areas.

-more-

SALLY KLUSARITZ, Editor, Tel. (202) 447-3448. Additional copies may be obtained from FAS Media and Public Affairs Branch, 5922-S, Washington, D.C. 20250. Tel. (202) 447-7937.

OILSEEDS AND PRODUCTS

PAKISTAN Plans U.S. Vegetable Oil Purchases. According to the U.S. agricultural attache in Islamabad, Pakistan will tender for vegetable oil under P.L. 480 for delivery by September 30. Under GSM-102, there will be a delivery of 27,000 tons in August followed by a tender for shipments of 35,000 tons per month for October, November and December. To stimulate consumption, soybean oil will be subsidized at 50 pisa per kilogram below the cost, insurance and freight (CIF) landed price of palm oil. This will eliminate the palm oil price advantage since soybean oil will be priced at an equal level. In addition, duty and sales tax exemptions for soybean meal have been extended to all classes of importers. Prior to this, only poultry feed importers had a duty-exempt status--other importers paid a 20-percent duty and a 12.5-percent sales tax. This action provides an excellent opportunity to expand use of soybean meal in Pakistan.

DAIRY, LIVESTOCK AND POULTRY

SOVIET Milk, Meat and Egg Output Above Last Year. Meat production on state and collective farms for January-June, 1987, was up 7 percent compared to the same period in 1986. Data for the individual meats was not given. Milk production for January-June was up 2 percent with all of the increase due to better per cow productivity. For the same period, egg production was up 3 percent with two-thirds of the increase due to greater hen numbers. Last month's report showed meat production up 8 percent while milk and egg production were up 3 percent each.

Cattle numbers on July 1, 1987, were reported at 98.7 million head, of which 29.0 million were cows. Comparable July 1, 1986 numbers were 99.2 million and 29.4 million, respectively. Hog numbers on July 1 were 59.1 million head, 1.1 million head below July 1, 1986. Poultry numbers were reported to be slightly below 1986.

SUGAR

KENYA'S Sugar Production Revised Upward. Kenyan sugar production for 1986/87 is now estimated at 375,000 tons, up 20,000 tons from the previous estimate. The 1987/88 forecast has been increased 30,000 tons to 380,000 tons, according to the U. S. agricultural attache in Nairobi. The forecast increases were based on a rising trend in sugar output in the western provinces where nearly half of the cane is grown. Prompt payment to farmers and delivery of essential services to growers were cited as key factors contributing to the increasing production.

WEEKLY EXCHANGE RATE DEVELOPMENTS

During the latter part of the week of July 24, the U.S. dollar slipped against most major currencies, but managed to stay above the previous week's levels. The downturn in the dollar was based on anticipation that the Commerce Department's report on the gross national product, released on Friday, would show sluggish economic growth during the second quarter of this year.

The dollar, however, found support in the smaller-than-expected increase in the June inflation rate which came in well below market expectations. The Consumer Price Index rose at an annualized rate of 4.8 percent for June, half of the 9-percent rate rumored in financial markets. Also, the recent events in the Persian Gulf tended to support the dollar as speculators traditionally favor the U.S. currency as a safe investment in time of international crisis. The favorable showing of durable goods orders in June--up some 1.4 percent from the previous month--was largely discounted by the financial markets since most of the increase came from military items.

Currencies	Current	----Percent change from----		
	rate 7/23/87	week ago 7/16/87	month ago 6/25/87	year ago 7/86
Argentine Austral	1.8865	3.36%	9.74%	112.68%
Australian Dollar	1.4085	.32%	1.42%	-11.07%
Brazilian Cruzado	45.3400	1.20%	6.15%	228.38%
Canadian Dollar	1.3310	.72%	.11%	-3.55%
South African Rand	2.0619	.61%	1.03%	-19.04%
Thai Baht	25.4500	.23%	-1.24%	-2.93%
ECU	.8944	1.28%	1.45%	-11.42%
British Pound	.6236	1.69%	.59%	-5.95%
French Franc	6.1815	1.22%	1.25%	-10.62%
West Germany Mark	1.8575	1.22%	1.54%	-13.52%
Japanese Yen	151.0000	.46%	3.21%	-4.47%
South Korean Won	808.0000	-.06%	-.55%	-8.76%
New Taiwan Dollar	31.0300	-.03%	.03%	-18.51%

Exchange rates are spot as of 3 p.m. Eastern Time, July 23

Source: FAS Exchange Rate Database and Wall Street Journal

EXPORT ENHANCEMENT INITIATIVES

The status of USDA's Export Enhancement Program as of July 23, 1987, was as follows in metric tons:

ANNOUNCED INITIATIVES	DATE ANNOUNCED	QUANTITY/RESULTS	
69. Israel wheat	May 29, '87	200,000	
68. Bangladesh wheat	May 22, '87	100,000	
	July 8, '87	50,000	
67. Soviet Union wheat	Apr. 30, '87	4,000,000	COMPLETE
66. Turkey rice	Apr. 3, '87	70,000	
65. Colombia barley malt	Apr. 3, '87	15,000	
64. Iraq table eggs	Feb. 20, '87	189 million	eggs
63. Canary Islands poultry	Feb. 9, '87	5,000	Sold 1,000
62. Nigeria wheat	Jan. 28, '87	500,000	
61. China wheat	Jan. 26, '87	1,000,000	COMPLETE
60. Iraq wheat	Jan. 16, '87	800,000	Sold 605,000
59. Switzerland barley or sorghum	Jan. 16, '87	250,000	Sold 9,000

-more-

EXPORT ENHANCEMENT PROGRAM INITIATIVES (CONT)

58.	Poland wheat	Jan. 7, '87	500,000	COMPLETE
		July 2, '87	500,000	Sold 76,000
57.	Poland barley or sorghum	Dec. 31, '86	200,000	Sold 167,000
56.	Romania wheat	Dec. 23, '86	250,000	
55.	Iraq poultry	Dec. 22, '86	60,000	COMPLETE
54.	Dominican Republic table eggs	Dec. 9, '86	25 million eggs	Sold 11.1 million eggs
53.	Zanzibar wheat flour	Dec. 9, '86	20,000	Sold 6,000
52.	Tunisia barley	Dec. 1, '86	150,000	
51.	Gulf countries (Bahrain, Kuwait, Oman, Qatar, United Arab Emirates) dairy cattle	Oct. 30, '86	1,500 head	COMPLETE
50.	West Africa (Benin, Burkina Faso, Cameroon, Cote d'Ivoire, Ghana, Gabon, Liberia, Niger, Togo) wheat	Oct. 30, '86	345,000	Sold 95,750
		June 15, '87	185,000	
49.	Dominican Republic poultry	Oct. 29, '86	1,500	Sold 1,133
48.	Philippines barley malt	Oct. 20, '86	60,000	Sold 25,000
47.	Cameroon wheat flour	Oct. 14, '86	20,000	
46.	Romania barley	Sept. 24, '86	200,000	Sold 125,000
45.	Venezuela barley malt	Sept. 4, '86	100,000	
44.	Cyprus barley	Aug. 26, '86	150,000	Sold 118,000
43.	Canary Islands wheat	Aug. 8, '86	100,000	
42.	Egypt semolina	Aug. 6, '86	30,000	Sold 23,000
41.	Soviet Union wheat	Aug. 1, '86	4,000,000	EXPIRED
40.	Canary Is. dairy cattle	July 28, '86	3,000 head	Sold 2,825
39.	Hong Kong table eggs	July 28, '86	44 million eggs	COMPLETE
38.	Senegal wheat	July 17, '86	100,000	COMPLETE
37.	India vegetable oil	July 8, '86	25,000	COMPLETE
36.	Jordan barley	June 17, '86	60,000	Sold 30,000
35.	Israel barley	June 17, '86	200,000	Sold 177,324
34.	Tunisia dairy cattle	May 29, '86	4,000 head	COMPLETE
33.	Algeria dairy cattle	May 29, '86	5,000 head	COMPLETE
32.	Sri Lanka wheat	May 16, '86	125,000	COMPLETE
		March 5, '87	95,000	Sold 85,000
31.	Saudi Arabia barley	May 7, '86	500,000	COMPLETE
		Aug. 6, '86	250,000	COMPLETE
		Sept. 16, '86	300,000	COMPLETE
		Oct. 8, '86	200,000	COMPLETE (201,000)
		Jan. 5, '87	1,250,000	COMPLETE
		May 15, '87	500,000	COMPLETE
30.	Algeria barley	Apr. 17, '86	500,000	Sold 36,000
29.	Morocco dairy cattle	Apr. 16, '86	4,000 head	COMPLETE

-more-

EXPORT ENHANCEMENT PROGRAM INITIATIVES (CONT)

28. Turkey dairy cattle	Apr. 16, '86	5,000 head	COMPLETE
	June 18, '86	5,000 head	
27. Egypt dairy cattle	Apr. 16, '86	6,000 head	COMPLETE
	Sept. 12, '86	10,000 head	Sold 3,411
26. Yemen poultry feed	Apr. 14, '86	150,000	Sold 111,168
25. Yugoslavia wheat	Apr. 10, '86	200,000	COMPLETE
	June 24, '86	200,000	COMPLETE
	Oct. 7, '86	500,000	Sold 213,050
24. Indonesia dairy cattle	Apr. 9, '86	7,500 head	COMPLETE
	June 18, '87	8,000 head	COMPLETE
23. Syria wheat	Apr. 8, '86	700,000	CANCELLED
22. Benin wheat (remaining 15,000 tons transferred to West Africa	Apr. 7, '86	45,000	COMPLETE
21. Algeria table eggs	Apr. 4, '86	500 million eggs	
20. Iraq dairy cattle	Apr. 4, '86	6,500 head	Sold 2,028
19. Jordan wheat	Mar. 19, '86	75,000	COMPLETE
	June 20, '86	75,000	COMPLETE
	Dec. 31, '86	225,000	COMPLETE
18. Tunisia wheat	Mar. 18, '86	300,000	COMPLETE
	Aug. 22, '86	800,000	Sold 300,000
17. Algeria wheat flour	Feb. 25, '86	100,000	
16. Algeria semolina	Feb. 11, '86	250,000	Sold 30,000
15. Philippines wheat	Jan. 7, '86	150,000	COMPLETE (152,400)
14. Zaire wheat	Dec. 27, '85	35,000	COMPLETE
	May 15, '86	45,000	COMPLETE
	Oct. 10, '86	40,000	COMPLETE
	July 16, '87	80,000	
13. Nigeria barley malt	Dec. 10, '85	100,000	Sold 55,164
12. Iraq wheat flour	Dec. 9, '85	150,000	COMPLETE
	Jan. 7, '87	175,000	Sold 75,000
11. Egypt poultry	Nov. 26, '85	8,000	COMPLETE
	Mar. 21, '86	15,000	COMPLETE
	June 18, '86	5,000	COMPLETE
	July 8, '86	15,000	COMPLETE
	Dec. 19, '86	25,000	COMPLETE
	Feb. 27, '87	6,000	
10. Zaire wheat flour	Nov. 18, '85	64,000	COMPLETE
	May 15, '86	30,000	Sold 15,000
9. Philippines wheat flour	Nov. 15, '85	100,000	Sold 50,000
8. Jordan rice	Nov. 8, '85	40,000	Sold 38,700
	Jan. 13, '87	60,000	
7. Turkey wheat	Oct. 16, '85	500,000	COMPLETE (506,600)
	May 8, '86	500,000	Sold 248,000
6. Morocco wheat	Sept. 30, '85	1,500,000	COMPLETE
	Dec. 9, '86	790,000	COMPLETE
	July 1, '87	500,000	

-more-

EXPORT ENHANCEMENT PROGRAM INITIATIVES (CONT)

5. Yemen wheat	Sept. 6, '85	100,000	COMPLETE
	Jan. 26, '87	100,000	COMPLETE
4. Yemen wheat flour	Aug. 20, '85	50,000	COMPLETE
	Apr. 14, '86	100,000	COMPLETE
	May 18, '87	100,000	Sold 50,000
3. Egypt wheat	July 26, '85	500,000	COMPLETE
	Oct. 30, '85	500,000	COMPLETE (512,500)
	June 24, '86	500,000	COMPLETE
	July 29, '86	52,000	COMPLETE
	Oct. 8, '86	1,000,000	COMPLETE
	July 8, '87	500,000	
2. Egypt wheat flour	July 2, '85	600,000	COMPLETE
	Aug. 6, '86	600,000	
1. Algeria wheat (ex durum)	June 4, '85	1,000,000	COMPLETE
wheat (ex durum)	Apr. 10, '86	1,000,000	Sold 616,000
durum	Nov. 10, '86	300,000	COMPLETE
durum	Mar. 16, '87	300,000	COMPLETE

EXPORT ENHANCEMENT PROGRAM SUMMARY

Announced as of July 23, 1987

Announced to Date 29,915,680 tons grains and products (grain equivalent)
 758 million table eggs
 140,500 tons frozen poultry
 65,500 head dairy cattle
 25,000 tons vegetable oil

Sold to Date 16,502,309 tons wheat
 1,593,196 tons flour (grain equivalent)
 3,557,324 tons barley
 72,610 tons semolina (grain equivalent)
 106,883 tons barley malt (grain equivalent)
 106,000 tons sorghum
 38,700 tons rice
 111,168 tons poultry feed
 25,000 tons vegetable oil
 130,133 tons frozen poultry
 49,264 head dairy cattle
 54,572,004 table eggs

Total Sales Value: \$2,102.6 million
 Estimated Bonus Book Value: \$1,409.2 million
 Market Value of Awards: \$1,004.2 million

-more-

Selected International Prices

Item	: July 28, 1987	: Change from	: A year
	:	: a week ago	: ago
ROTTERDAM PRICES 1/	\$ per MT	\$ per bu.	\$ per MT
Wheat:			\$ per MT
Canadian No. 1 CWSR-13.5%.	135.00	3.67	-1.50
U.S. No. 2 DNS/NS: 14%....	127.00	3.46	-2.00
U.S. No. 2 S.R.W.	120.00	3.27	+0.75
No. 3 H.A.D.....	143.00	3.89	-0-
Canadian No. 1 A: Durum10/	146.50	3.99	+3.00
Feed grains:			
U.S. No. 3 Yellow Corn....	89.00	2.26	-1.00
Soybeans and meal:			
U.S. No. 2 Yellow.....10/	213.35	5.81	-5.40
Brazil 47/48% Soya Pellets11/	213.00	--	-2.00
U.S. 44% Soybean Meal..12/	196.00	--	+1.00
U.S. FARM PRICES 3/			
Wheat.....	83.40	2.27	-0.73
Barley.....	55.57	1.21	-1.83
Corn.....	57.87	1.47	-0-
Sorghum.....	53.57	2.43 2/	-0.22
Broilers.....	994.05	--	+20.94
EC IMPORT LEVIES			
Wheat 5/.....	202.48	5.51	-2.61
Barley.....	191.50	4.17	-1.99
Corn.....	199.42	5.07	-1.91
Sorghum.....	204.30	5.19	-0.05
Broilers 4/ 6/ 8/.....	509.00	--	-0-
EC INTERVENTION PRICES 7/ 9/			
Common wheat(feed quality)	179.01	4.87	-0.04
Bread wheat (min. quality)	188.43	5.13	-0.05
Maize.....	188.43	4.79	-0.05
Barley and all other feed			
grains, excluding maize.	179.01	--	-0.04
Broilers 4/ 6/.....	1,541.00	--	+20.00
EC EXPORT RESTITUTIONS (subsidies)			
Wheat	N.A.	--	--
Barley.....	116.18	2.53	--
Broilers 4/ 6/ 8/.....	413.00	--	-0-

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Hundredweight (CWT). 3/ Five-day moving average. 4/ EC category--70 percent whole chicken. 5/ Reflects lower EC export subsidy--down to 20.00 ECU/100 bag effective 9/14/83 from 22.50 ECU/100 bag set in 2/83. 6/ F.o.b. price for R.T.C. broilers at West German border. 7/ Reference price. 8/ Reflects change in level set by EC. 9/ Changes may be due partly to exchange rate fluctuations and/or ECU payments. 10/ October shipment. 11/ August/September shipment. 12/ October/December shipment. N.A.=None authorized. N.Q.=Not quoted. Note: Basis August delivery.

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C. 20250

OFFICIAL BUSINESS
PENALTY FOR PRIVATE USE, \$300

FIRST-CLASS MAIL
POSTAGE & FEES PAID
USDA-FAS
WASHINGTON, D.C.
PERMIT No. G-262

If your address should be changed _____ PRINT
OR TYPE the new address, including ZIP CODE and
return the whole sheet and/or envelope to:

FOREIGN AGRICULTURAL SERVICE, Room 5918 So.
U.S. Department of Agriculture
Washington, D.C. 20250

WK002 10002/2025OUNCRA 4 0001
USDA NAL CURRENT SERIAL
RECORD AL
RM 002
USDA DELIVERY STOP 20250-1200

This report and other statistical, economic, marketing and news reports are available within minutes of their release through USDA's Electronic Disseminated Information (EDI) Service. For more information, call or write Russell Forte (202) 447-5505, Room 536-A OGPA, USDA, WASHINGTON, D.C. 20250.

HOW TO SUBSCRIBE

To subscribe, send your name and address to the Foreign Agricultural Service, Information Division, Room 5918-S, U.S. Department of Agriculture, Washington, D.C. 20250. The World Production and Trade report is available on a regular basis only to residents of the United States.